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# Navigating Organizational Change: Change Leaders, Employee Resistance and Work-based Identities

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**ABSTRACT** *Resistance to change is a socially constructed phenomenon that is generated and defined through interaction. We develop two hypotheses aiming at a better understanding of resistance. First, we propose that 'resistance to change' can be understood as employee utilization of self-enhancement strategies in response to a threat to their work-based identity. Second, we propose that resistance can be perceived as a threat to change leaders' work-based identity, and as such their response to resistance may include self-enhancement strategies. Qualitative and quantitative research conducted with law firms involved in a merger supports the hypotheses. We suggest the differential in successfully navigating organizational change may be shifting the starting point: from looking at how what we do is affected, to how the change and change management impacts how we feel about who we are.*

**KEY WORDS:** Organizational change, change management, social identity, resistance to change

## Introduction

### *Resistance to Change as an Interactive Phenomenon*

Resistance to change can have a significant impact and influence upon the success of an organizational change project. This paper is an attempt to better understand the motivations behind employee resistance and the way it is managed by change leaders, with exploration of practical implications for managing resistance effectively. Resistance here is framed in terms of worker perceptions of change, their intentions and the leader attributions.

Resistance is commonly regarded merely as behavior not in line with the attempts of the change leader (Bartunek, 1993). Resistance, however, is a socially constructed phenomenon which is identified, defined and continually re-defined through the interaction of all parties involved in the change. Consideration is therefore required of the motivations for resistance, change agent management

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of resistance, the role of identity processes, and the impact of resistance on the change process and the organization overall. We label this the 'resistance process'.

Resistance to change is typically regarded in the management science and organizational behavior literature as an obstacle or barrier to change (Kotter and Schlesinger, 1979; Klein, 1984). Prescriptions are given to those with formal, legitimate power and influence over the change (change agents) for how to avoid and overcome the resistance of those without it (resisters). Virtually all discussions of change take the perspective of the change agent (Bartunek, 1993). Subsequently, resistance is often studied in the isolated context of the employees' attitudes, beliefs and behaviors. The change leader position, however, is equally part of the conceptualization of 'resistance', as it is the leaders' position that provides the basis from which to categorize an alternative stance as 'resistant'. We aim to examine the phenomenon in the context of interaction. Other authors have advocated this perspective, arguing that resistance is the result of a 'complex interplay between individual and collective action *and* interpretation in the workplace' (Prasad and Prasad, 2000, p. 389, *italics added*).

Here, we refer to 'change leaders' to specify the type of change agents who are of particular interest to this study, including *change generators* and *change implementors* based on Ottaway's (1983) taxonomy of change agents. Change leaders include Generators ('CG', responsible for identifying the need for change, decision-making at the initial stages, demonstrating support and generating finance) and Implementors ('CI', enablers of change responsible for implementing the identified necessary changes in the social system).

It is argued that resistance has come to refer to anything that workers do that management does not want them to do (Davidson, 1994). The challenge with models of resistance which are founded on behavioral observation is the requirement of inference by the observer on the actor's behavior. As Prasad and Prasad note, 'one cannot automatically infer that resistance is taking place on the basis of a specific type of action occurring in the workplace' (2000, pp. 388–389). As such, we examine resistance from a motivational perspective and, more specifically, from an identity-based perspective, examining employee attitudes to the change and change leader attitudes to the resistance.

### *Motivations for Resistance*

The notion that 'people resist change inherently' has recently come under attack (Jansen, 2000). Dent and Goldberg (1999) argue that people do not resist change *itself*, but rather the anticipated consequences or expected effects that may be associated with change, such as loss of status, loss of pay, or loss of comfort. Another associated effect of change may include loss of control (Klein, 1984). People may resist consequential threats to their self-interest or have fear of poor outcomes, such as being required to perform more work or earn less money, or having their job status or security threatened (Kotter and Schlesinger, 1979; Trader-Leigh, 2002). We label this 'person-oriented resistance to change', including the feelings of loss experienced by people as a result of departures from the status quo.

Person-oriented resistance stems from an employee's belief or concern that the change has or will have a negative impact on their personal and/or their colleagues' experience of work. Change management encompasses a wide range of

organizational activity, such as visioning, restructuring and training, all of which can impact the perceived status quo and interpersonal justice. Person-oriented resistance may stem from a concern with the impact of change on an employee's established relationship within the organization, as proposed by Lawrence (1954). Person-oriented resistance may result from the change's alteration to an employee's relationship with the organization (the psychological contract), or their perception of their role or place within the organization.

Alternative motivations for resistance include employee beliefs that the proposed or enacted change may be unbeneficial or even hazardous for the organization. We label this 'principle-oriented resistance', which is task-focused and generated by a concern for the achievement of organizational goals and objectives (Ullrich *et al.*, 2005). As argued by Rousseau (1998), employees in contemporary organizations are aware that in order to be successful, change in any form is necessary. Change leaders and non-change leaders within a changing organization, however, are likely to have diverse perspectives of their organization's goals and related change, given such factors as different backgrounds, experience, job roles and departmental memberships. Often, there is separation of the planners of change from the world of those for whom they are planning (Klein, 1984). Jones and colleagues (Jones *et al.*, 2008), for instance, found that executives and supervisory staff refer more to outcomes of change compared to non-supervisory staff, whereas supervisory and non-supervisory staff express more negative attitudes and focus more on conflicts than executives. As Piderit notes, resistance may be motivated by the best of intentions: '... what some may perceive as disrespectful or unfounded opposition might also be motivated by individuals' ethical principles or by their desire to protect the organization's best interests' (2000, p. 785). This supports the notion that resistance relates to different, conflicting perspectives, demonstrating the need for an examination of resistance as an interactive phenomenon.

### A Social Identity Approach

We utilize social identity theory (Tajfel and Turner, 1986) and self-categorization theory (Turner *et al.*, 1987) to provide a theoretical framework for examining the interaction between different parties involved in a change process (Schwarz and Watson, 2005). Research and theoretical developments from a social identity perspective have greatly informed understanding of work-based attitudes during organizational change (Terry, 2001; van Knippenberg and van Leeuwen, 2001). As van Dick *et al.* (2004, p. 133) note, 'organizational identification has been shown to be positively associated with employees' work-related attitudes in times of change'. Organizational research from a social identity perspective may offer valuable insight to the study of resistance to change.

### *Change and Work-Based Identity*

Individuals engage in social categorization – they classify themselves and others into social categories, which influences both their self-concept and their behavior (Tajfel and Turner, 1986). Social categories are likely to be activated during organizational change. Change may impact the way individuals within the organization categorize themselves and others, and the value/status placed upon these

categories. Change has the potential to negatively impact the social component of an employee's work-based identity. Such a threat or negative impact to an employee's identity may involve their own or others' perception of loss of status of the group, or movement of that individual to what is perceived (by the self or others) to be a lower-status group as a result of the organizational change. We propose that what is conceptualized as 'resistance to change' may be an employee response to a threat to their work-based identity.

Perceived loss of status of an employee's group or movement to what is perceived as a lower status group may result from the group or organizational change, including management of these changes. Resistance to change *management* was noted by Lawrence (1954), who proposed that employees were not resisting change itself but rather the way they were managed. We propose that resistance may (in part) be the result of employee identity reactions to the *management* of the changes and the implications of these changes on their own experience of work. It is not only the content of change but also the relationships, including communication and interaction between change leaders and employees, which may have a negative impact on employees' experience of work and their work-based identity. Resistance, therefore, may be an employee reaction to a perceived threat to their work-based identity from the *management* of change.

#### *Employee Responses to Identity Threats*

Individuals strive for positive self-esteem, and as the social identity element of an individual's self-concept is based on group memberships, individuals also have a need to view their ingroups positively. Where this positive identity is threatened, people engage in three basic strategies of self-enhancement: individual mobility, social creativity and social competition. Which strategies are utilized will be influenced by the boundaries of the group (permeable or impermeable) and the stability of the group's status (Ellemers, 1993). Behaviors observed as 'resistance to change' may actually be employee utilization of self-enhancement strategies, in an attempt to obtain or maintain a positive identity.

*Hypothesis 1: Employee resistance can be a response to a perceived threat to employees' work-based identity posed by the change, including the change management.*

We refer to this resistance – stemming from a threat to an employee's work-based self-concept – as 'identity-based resistance'. Identity-based resistance can be regarded as a form of 'personal-oriented resistance', as it is concerned with a negative impact of change for employees (individually or their groups) personally. We suggest that employees who identify with a salient social group that is negatively impacted by the change process are resisting a loss of status for that ingroup as a whole. They may be resisting this loss of status not merely due to the impact this has on their influence, position or control in the organization but because of the value attached to this status and the negative impact the loss of status has on their work-based identity.

#### *Impact of Resistance on Change Agents*

Change agents' responses to, and management of, resistance are also likely to be influenced by identity processes, that is processes related to the change agents'

own identities (as managers, change leaders) which has been suggested by Schwarz and Watson (2005) who found identity-based attempts of management to retain their coordinating role during technological change. Those responsible for changes are likely to identify both (cognitively) *as* a member of the group of change leaders and (affectively) *with* that group and its responsibilities. Where the change is criticized they may internalize criticisms, seeing them as a reflection on their capability or performance – a threat to their (change leader) group's, and therefore their own, work-based social identity. Resistance, therefore, can be perceived as a threat to change leaders positive identity.

*Hypothesis 2(a): Resistance can be perceived by change leaders as a threat to their work-based identity.*

### *Impact of Self-Enhancement Strategies on Resistance Management*

Where change leaders feel attempts are being made to undermine their power they may respond with attempts to regain power and re-affirm the group's and, thereby, their own status. Change leader responses to identity threats (that is, to resistance) are likely to include the employment of self-enhancement strategies: individual mobility, social creativity or social competition.

Much research and literature in management sciences (such as Kotter and Schlesinger, 1979) is devoted to change management. It is targeted primarily at change leaders, providing them with strategies for overcoming or avoiding resistance (Bartunek, 1993). We propose the employment of self-enhancement strategies by change leaders may impact their approach to, and management of resistance.

*Hypothesis 2(b): Change leaders' approach to, and management of, resistance is influenced by their utilization of self-enhancement strategies in response to the perceived threat.*

The interactive nature of resistance is highlighted in the relationship between employees' experience of change management, the impact of resistance on change leaders and the responses of each group to identity threats posed by the actions of others involved in the change.

### **The Case**

This study is based on qualitative and quantitative research within two cases of organizational mergers of equal partners (unlike an acquisition). Working within a social identity framework, a merger can be seen as the creation of a new overarching identity for group members, with the fusion of two organizations between an ingroup and a former outgroup into a larger unit.

It has been shown empirically and argued conceptually, that mergers can have a negative impact on employees' post merger identification accompanied by negative emotions, less job satisfaction, or higher turnover intentions (Van Dick *et al.*, 2006). Resistance has been cited as a key explanation for why mergers and acquisitions are often not successful. From an identity perspective, it thus seems important for change leaders to provide a sense of continuity to overcome negative effects of the change on employees' identities and in turn to reduce their resistance (van Knippenberg and van Leeuwen, 2001; Ullrich *et al.*, 2005).

We investigated the resistance process with two case study organizations in the context of recent law firm mergers. The Melbourne-based head office of an Australian law firm merged with an equal sized Melbourne firm. One year later, the firm's Adelaide office merged with an equal sized Adelaide-based firm. Given the sensitive nature of this research, the names and some details about organizations and individuals involved in the research have been changed.

National Firm: 'Pratten Jefferson' is a national law firm in Australia, one of the 20 largest (in terms of employee numbers), with offices in five cities: Melbourne (head office), Sydney, Adelaide, Brisbane and Perth. The firm changed from 'Jefferson Poller' to 'Pratten Jefferson' following the merger of the Melbourne head office with another firm 'Lance Pratten'. All firms involved in the research were established in the late nineteenth century. Whilst each had a discrete specialty (banking, construction), having fewer than 10 partners until the late 1970s, all had grown into general commercial firms. The firms had grown incrementally over time through internal promotion, rather than through M&A activity. In the mid 1990s each of the firms recognized that in order to effectively compete in the market they needed to significantly increase their capacity, hence the merger talks began, coming to fruition in the early twenty first century.

Case Study A: 'Pratten Jefferson, Melbourne' is a law firm office in Melbourne, created by a merger between two equal sized firms: 'Jefferson Poller' (referred to as 'Jefferson') and 'Lance Pratten' (referred to as 'Pratten'). At the time of research, the firm had 217 organizational members (partners and employees) in total, including: 30 partners; 85 (non-partner) lawyers, clerks and paralegals (115 professional legal staff in total); and 102 support/administrative staff.

Case Study B: 'Pratten Jefferson, Adelaide' is a law firm office in Adelaide, created by the merger of two firms of equal size: 'Pratten Jefferson Poller' (referred to as 'PJP' or 'PJ Poller') and 'McKellans'. The merged firm kept the name 'Pratten Jefferson' (dropping the 'Poller' upon merging). The firms merged one year after the Melbourne-office merger. At the time of the merger, the firm had 86 organizational members (partners and employees), including: 11 partners; 33 (non-partner) lawyers and clerks (44 professional legal staff in total); and 42 support/administrative staff.

Partners (given their decision making power and legal responsibilities for the direction of the firm) are referred to as 'Change Generators' and those responsible for the daily change enactment in the post-merger period are referred to here as 'Change Implementors'.

Research examined motivations for resistance, change leader management of resistance, identity processes and employment of self-enhancement techniques, and the impact of resistance on the change process.

## Methods

### *Research Strategy*

The research was a multiple case study – the merger process in each firm being a separate 'case'. The research was designed to inform the 'resistance process'.

Research was conducted with two law firm offices within one national firm, each of which underwent a (separate) merger. The cases were physically and operationally separate, yet came under the banner of one national firm. The two offices underwent the same change (merger with a firm of equal size), have the same overarching strategies and operate within the same context (law firms working within the regulations of the Australian legal system). As such, whilst they operate effectively as separate firms and were treated as two separate cases, the case differences in terms of the context were minimized.

### Sample Selection and Procedures

Data collection in each case study followed the same protocol, with data collected from interview and questionnaire sources. Semi-structured interviews were conducted, 13 in Pratten Jefferson, Melbourne and 10 in Pratten Jefferson, Adelaide. Interviews were chosen over focus groups given the sensitive nature of the research topic. Interviews were considered to be the most appropriate research method whereby organizational members could openly share their views and opinions in a confidential environment. Potential interviewees were identified by the firm's HR manager, to represent a cross-section of the organizations, including change leaders, non-change leader lawyers and support staff, and in both cases were from the two pre-merger firms (see Table 1). Participants were invited to be involved in the research and assured of confidentiality.

**Table 1.** Description of interviewees

Firm	Change leaders	Group membership	
		Non-change leader lawyers	Support/administrative staff
<i>Case Study Firm A</i> Pre-merger firm: Jefferson	Richard Stephen Dan Tamara	William	Penny Jacki Ben
<i>Case Study Firm A</i> Pre-merger firm: Pratten	Peter James	Jennifer	Kelly Polly
<i>Case Study Firm B</i> Pre-merger firm: PJ Poller	Simon	Meghan Amy	Anna
<i>Case Study Firm B</i> Pre-merger firm: McKellans	Sam	Louise Alison Talita	Maya Jill

Two topic guides included one for change leaders and one for non-change leaders, and addressed: (1) employee perceptions and experience of the merger; (2) the impact of changes on interviewees' work-based identity; (3) change leaders' perception and experience of resistance; and (4) their responses to resistance (see Table 2 for detailed information on areas covered in interviews).

**Table 2.** Hypotheses and elements of research

Hypothesis	Sample of interview questions	Related scale	No. of items	Sample item	Cronbach Alpha
1. Employee resistance to change can be understood as a response to a perceived threat to employees' work-based identity posed by the change processes.	What impact has the merger had on your job role? What impact has the merger had on your daily experience of work?) What is your attitude to the changes? How do you feel about them?	1. Communication 2. Resistance 3. Identification with New Firm (based on Uzubalis, 1999; cited after Haslam, 2004) 4. Employee Relationship with; Change Leaders and Change in Relationship	9 <i>Case 1:</i> 25; <i>Case 2:</i> 19 5 2 1	1(d) The objectives of the Firm's changes are unclear 2(m) I don't think financially I'll personally benefit from the merger 3(e) All things considered, which firm did / do you value more? 4(c) Overall, how has your relationship with these people (leading the merger changes) changed as a result of the merger?	Alpha = 0.74 (n = 111) <i>Case 1:</i> Alpha = 0.89 (n = 62) <i>Case 2:</i> Alpha = 0.86 (n = 52) Alpha = 0.80 (n = 98) –
2 (a). Resistance can be perceived by change leaders as a threat to their work-based identity.	What is your role in the merger? How do people in the firm feel about the merger changes? How have they experienced the change?	5. Involvement with Leading Changes 6. Identification with Change Leadership 7. Perception of Employee Problems with Change	1 3 6	5(1) Which of the following categories would you place yourself in: slightly / moderately / extremely involved in directing the merger and / or some related changes in the firm?	– Alpha = 0.93 (n = 36) Alpha = 0.99 (n = 125)

	Were there particular people or groups who you feel are not cooperating? How did they demonstrate their problems with merger changes? What were the reasons/ motives behind this? How did this impact your experience of work?			6(b) I feel a strong tie with the other people who are directing the merger and changes with me 7(c) Overall, how problematic are employees finding the merger changes to job roles	
2 (b). Change leaders' approach to, and management of, resistance can be influenced by their utilization of self-enhancement strategies in response to the perceived threat.	How did this impact your ability to do your role in leading merger changes? How did this impact the change process overall? How did you respond to this?	8. Change Leader Reception of Employee Ideas and Suggestions related to Merger Changes 9. Change Leader Responses received by Employees to Suggestions about Changes	3 1	8(a) In the last two months, how frequently have employees expressed their opinions about the merger changes to you? 9(a) What responses do you usually get when making suggestions / comments about the merger and related changes to those people responsible for directing the changes?	Alpha = 0.99 (n = 125) –

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Questionnaires were administered to all employees in both case study organizations. Whilst there was a difference in response rates (31% for Pratten Jefferson, Melbourne and 66% for Pratten Jefferson, Adelaide), data were analyzed together with qualitative results and cases examined at a whole-case level rather than at questionnaire-level only (see Table 3). Furthermore, the sample was representative of the population across key groupings (pre-merger firm and level of involvement with merger changes).

**Table 3.** Mapping data collection to thematic units for analysis

Thematic unit	Data collection method
1. Resistance attitudes	Interviews (employee) Questionnaires
2. Impact of change and/or change management on employee work-based identity	Interviews (change leader and employee) Questionnaires
3. Impact of resistance attitudes on change leader work-based identity	Interviews (change leaders) Questionnaires
4. Change leaders approach to, and management of, resistance	Interviews (change leader and employee) Questionnaires

The questionnaire was constructed on the basis of the theoretical research propositions and pilot research results. The questionnaire addressed items relating to attitudes to the merger changes to ascertain levels of resistance, self-categorization by respondents as change leaders or non-change leaders, level of change leader involvement with the merger changes, respondent identification with the new firm, change leader receptiveness to staff feedback and suggestions (see Table 2 for details regarding questionnaire items which addressed each thematic unit of analysis).

### *Data Analysis*

Given the causal nature of the hypotheses, explanation-building (a form of pattern-building as specified by Yin, 1994) was employed for data analysis. The explanation-building process and final discussion is the result of both individual case analysis and cross-case analysis.

Quantitative analysis of questionnaire data was conducted *within* each of the case studies. Descriptive statistics (including means and frequencies) were calculated for each variable. For qualitative data analysis, interview text was coded by researchers into four units of analysis: resistance attitudes, impact of change on employee work-based identity; impact of resistance on change leader work-based identity; and, change leader response to resistance. Coded text was used to test the research hypotheses.

## **Findings**

### *Employee Resistance as Response to Identity-Based Threat*

In Hypothesis 1, we proposed that employee resistance to change can be understood as a response to a perceived threat posed to their work-based identity by the change processes.

Interviews revealed three social classifications which were salient to employees with regards to the merger context: pre-merger firm membership; professional membership (legal or support staff); and change leadership group membership (including partner or non-partner, and management or non-management).

Non-partner lawyers and support staff ( $M = 2.63$ , Firm A;  $M = 2.58$ , Firm B) demonstrated significantly higher resistance than partners ( $M = 2.12$ ,  $t(67) = 5.26$ ,  $p < 0.01$ , Firm A;  $M = 1.82$ ,  $t(49) = 6.47$ ,  $p < 0.01$ , Firm B). Results indicated that whilst there were slightly higher levels of resistance by non-change leaders ( $M = 2.61$ , Firm A,  $M = 2.60$ ) than by change leaders ( $M = 2.54$ ,  $t(66) = 0.55$ ,  $p = 0.59$ , Firm A;  $M = 2.49$ ,  $t(56) = 0.78$ ,  $p = 0.44$ ), the difference was non-significant. Of change leaders it was the partners (Change Generators 'CG'), who had fewer problems with the changes than other firm members in both case study firms. This suggests resistance is inversely related to the amount of influence and decision-making authority a person has, rather than the degree to which they are involved in implementation of the changes.

Resistance was correlated with identification with the new firm in both case study firms. Those individuals with greater resistance were those who identified less with the superordinate identity of the new post-merger firm ( $r = -0.626$ ,  $p < 0.001$ ,  $n = 61$ , Firm A;  $r = -0.322$ ,  $p = 0.021$ ,  $n = 51$ , Firm B).

Employees' experience of work and their work-based identity was impacted by the *management* of merger changes. Interviewee reports included poor treatment by management and the impact of this on how interviewees felt both about themselves and about managers. Rather than the people responsible for the merger (CG), this related to daily change leaders (CI). A component was the low or decreased (compared to pre-merger) levels of communication between change leaders and non-change leaders – both information employees received about merger changes and their opportunities to give feedback. In Firm A, the majority of staff gave negative reports about both (54% negative reports of downwards communication, 29% positive; 62% negative reports of upwards communication, 20% positive). Qualitative results revealed a negative impact of this on employees' work-based identity:

Polly (Pratten support staff): ...we learnt more from the people *outside* the firm than what we were being told at the time. I didn't like that very much... I just think if they'd kept us, you know, talked to us along the line, I think we would have felt a bit more important.

#### A 'Merger of Equals'?

Despite in principle a 'merger of equals', some Jefferson staff perceived a Pratten dominance. Change management threats to employee work-based identities were experienced more by those (support staff from Jefferson) who did not share salient social category memberships with the (primarily Pratten) change leaders.

Ben (Jefferson support staff): ...it's pretty obvious if you're a Pratten person you get what you ask for and if you're a Jefferson person you don't. There are a number of people that I believe are, if they'd been a Pratten person they'd have got a better deal.

In Firm A, those people who did not share salient social group membership with the change leaders, including the pre-merger firm membership Pratten, gave particularly negative reports on the extent to which they felt their ideas were welcome. Jefferson staff ( $M = 3.57$ ) agreed with the statement: 'People directing the changes are *NOT* receptive to staff suggestions about alternative ways of doing things' significantly more than Pratten staff ( $M = 3.03$ ;  $t(52) = -2.09$ ,  $p = 0.04$ ). Interview data supported these findings, with interviewees who did not share salient social category memberships with the change leaders (along pre-merger firm lines and along professional membership category lines) giving negative reports on merger management. Table 4 summarizes the main findings for Case Study 1.

**Table 4.** Impact of change on employees – case study 1

Hypothesis	Interviewee reports – case study 1
1. Employee resistance to change can be understood as a response to a perceived threat to employees work-based identity posed by the change processes.	<p><i>Resistance to Change Management</i></p> <p>Employees who did not share salient social category memberships with change leaders reported:</p> <ul style="list-style-type: none"> <li>• a 'dictatorial' leadership style of new management following the merger;</li> <li>• a lack of opportunities to feed back ideas; and,</li> <li>• Change Leaders' disinterest in receiving staff suggestions about the merger changes.</li> </ul> <p><i>Referent Power</i></p> <p>Those people perceived they had no <i>referent</i> power over the change leaders, which led them to withhold information, as they perceived their input would make no difference even if it was offered.</p>

In Firm B, there was also some indication that the union was not regarded as a 'merger of equals' by all organizational members. The primary change agent (CEO) of Firm B was from McKellans, and PJ Poller support staff reported a perceived lack of information compared to McKellans staff:

Anna (PJP support staff): McKellans always seemed to know more than what we did ...down at PJP we didn't really have much idea about what was going on.

Despite the difference in perceptions of situational equality between firms, in Firm B, the majority of staff gave more positive reports about downwards and upwards communication (19% negative reports of downwards communication versus 67% positive; 23% negative reports of upwards communication versus 54% positive). Data did, however, revealed a few key areas where it was not at a level acceptable to employees, such as staffing changes, and the impact of this change management had a negative impact on employee work-based identities. Table 5 summarizes these findings for Case Study 2.

**Table 5.** Impact of change on employees – case study 2

Hypothesis	Interviewee reports – case study 2
1. Employee resistance to change can be understood as a response to a perceived threat to employees' work-based identity posed by the change processes.	<p><i>Resistance to Change Management</i></p> <p>Where interviewees reported negative experiences of change management, they described a subsequent negative impact to:</p> <ul style="list-style-type: none"> <li>• their attitudes to the firm and their perception of unity at the firm;</li> <li>• the extent to which they felt valued by the change leadership; and,</li> <li>• their beliefs about how partners perceived them and their relationships with them.</li> </ul>

Interview data suggests two key occurrences which impacted employees' work-based identities relating to the management of change: (1) inequality based on salient group memberships – the extent to which employees perceived change leaders to be open to their suggestions for alternative ways of doing things was related to whether they share salient categorical memberships with the daily change agency (CI); and, (2) change in post-merger experience – where a greater negative impact on employees' work-based identity was experienced when change management was different to employees' previous experience of work.

Across the two cases, employees demonstrated 'identity-based resistance' as they responded to negative impacts on their identity. These included self-enhancement strategies utilized in response to a threat to their work-based identity: changing the salient social category memberships, changing the value of the social category memberships, promoting the ingroup and negating the outgroup (see Table 6).

**Table 6.** Identity-based employee resistance

Identity-based resistance	Description
<i>Individual mobility</i>	Leaving the firm (taking self out of the situation)
<i>Social competition</i>	Increased resistance to the changes by reinforcing self-identity and related behaviors
<i>Promoting the ingroup</i>	Positioning self and like-minded others positively
<i>Negating the outgroup</i>	Communicating negative attitudes towards, and relationships with, the change agency
<i>Social creativity</i>	<ul style="list-style-type: none"> <li>• Promoting the ingroup over the change leadership (changing the salient social categories to allow promotion of a new salient ingroup)</li> <li>• Decreased commitment to work and the firm (in attitude and behavior/performance), including changing the value placed upon membership of the group which was causing the negative impact</li> </ul>

#### *Employee Resistance as Threat to Change Leaders' Identity*

In Hypotheses 2(a) we stated that resistance can be perceived by change leaders as a threat to their work-based identity. Change leaders identification with the group

responsible for merger changes was examined. Of the 18 Firm A change leaders who completed the questionnaire, 41% reported being proud to work with the change leadership team (compared with 18% who stated they were not proud to be working with them), and 35% reported they believe their change leaders peers are doing a good job (12% did not agree). Of the 19 Firm B change leaders who completed the questionnaire, 32% reported being proud to work with the change leadership team (compared with only 5% who stated they were not) and 37% reported they believe their change leader peers are doing a good job (only 5% of change leaders did not agree; remaining percentages account for those respondents who stated they 'neither agree nor disagree'). The more change leaders were involved with leading merger changes, the more positively they regarded the merger ( $r = 0.57$ ,  $p = 0.025$ ,  $n = 15$ : Firm A;  $r = 0.64$ ,  $p = 0.003$ ,  $n = 19$ : Firm B).

Change leaders active engagement with the merger changes impacted their interpretation of, and response to, resistance. Results from both case study firms indicated that change leaders did not have a good understanding of how staff perceived the new firm and the extent of problems with the merging of the two firms. In the post-merger period, change leaders in neither firm recognized the extent or type of employee problems with the merger changes – they *underestimated*, and *misinterpreted* the reasons for, employee problems with the merger. Six months after the merger, significant reports of employee resistance were identified in Firm A. Change leaders, however, believed employee challenges with the merger changes had dissolved.

Peter (Pratten change leader): And there was a period of time when some staff members were unsettled. . . we then got to a period where it did settle down. . . I would think four to six weeks it took for some people, some people adjusted quicker.

In Firm A, 40% of change leaders believed employees had *no* problems with the merger changes, yet 82% of employees reported they believed there were problems. In Firm B, 87% of employees reported problems with the merger changes; and whilst lower than Firm A, there were still 20% of change leaders who believed that employees felt there were no problems with the merger.

In Firm A, employees had problems not only with a negative impact of changes on them and/or colleagues personally (fear of redundancy, impact on social relationships) but also with the content of changes or the way they were being carried out, perceiving some of these to have (or the potential to have) negative organizational consequences. Interview analysis revealed a discrepancy between the employees' perspective and the change leaders' understanding of their views. Change leaders reported no principle-oriented resistance but only person-oriented resistance to the merger for support staff, and demonstrated minimal recognition of any personal problems legal staff may have had with merger changes. Overall, change leaders portrayed minimal staff problems with merger changes and perceived that the new superordinate identity had been adopted. They did not recognize that employees continued to differentiate staff by pre-merger firm membership – that there was an 'us and them' mentality.

Jacki (Jefferson support staff): Yeah, it's still an 'us and them', the two firms haven't, we're living in the same building but we haven't merged.

Peter (Pratten change leader): We've broken down the 'them and us' situation, 'them' being the Pratten people or the Jefferson people.

In Firm B, change leaders initially had a fairly accurate perception of the extent of employee problems with the merger. However, further along the merger process, their perceptions of employee problems were less congruent with employees' actual experience. Change agents attempted to position the merger as problem-free. Whilst some problems had been resolved, employees still had problems with some key components of the merger changes (both person-oriented and principle-oriented resistance). The extent to which change leaders reported problems with the merger was related to the degree to which they identified with the change leadership, whereby the more they identified with the change leadership the fewer problems they reported. Change leaders' perception of the problems was based on their own personal experience of the change, rather than on an understanding of others' problems and concerns.

Two key findings regarding change leaders perception of employee experiences were identified, suggesting an impact of resistance on change leaders' work-based identity: (1) the more change leaders were involved in directing the changes, the more positive their attitudes to the merger; (2) change leaders' had minimal understanding of both motives for and extent of resistance, and change leaders' interpretation, reception and communication of resistance messages was influenced by the impact on their work-based identity.

### *Change Leaders' Management of Resistance as Utilization of Self-Enhancement Strategies*

In Hypotheses 2(b), we proposed that change leaders' approach to, and management of, resistance can be influenced by their utilization of self-enhancement strategies in response to the perceived threat.

Change leaders did have employees suggest alternatives regarding the merger changes, yet rarely were any of these suggestions acted upon. In Firm A, 78% of change leaders reported that employees did make suggestions, yet only 50% reported discussing these ideas with their change leader colleagues. Employees confirmed this with 56% reporting that change leaders did indicate directly that they would give consideration to, or discuss their ideas further. Only 2% of employees reported that their ideas were taken on board. In Firm B, 88% of change leaders reported that employees made suggestions, and they did go on to discuss these ideas with change leader colleagues. Only 9% of employees, however, reported that their ideas were taken on board. Whilst many employees did perceive they had the opportunity to give feedback and ideas about how the change process could be improved, these ideas were not always considered and rarely did they lead to any changes of the change process. In Firm B, where there were lower levels of resistance to change overall, employees' ideas and suggestions were acted upon more than in Firm A.

In both case study firms, change leaders in interviews drew attention to positive aspects of the change (engaging in social creativity) and reinforced their own and others positive perspectives of the change (social competition).

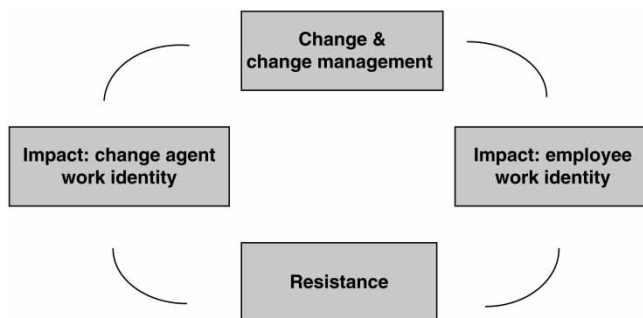
Stephen (Jefferson change leader): Someone stopped us in the lift a couple of months ago and asked the question, ‘So how’s it going?’ Sorry, *this wasn’t to me; this was to one of the secretaries*, and they said from their perspective it had gone well, and the comment came back that, ‘The word around town is that *your merger has gone very well compared to a couple of others* that have been disasters’.

Findings demonstrated that resistance in the case study firms was a process, rather than an event, with interaction between employees’ experience of the merger, their resistance and change leader responses.

## Discussion

Change is a constant reality for modern organizations, with one of the most challenging forms of organizational change being the act of bringing together two distinct entities and the organizational members under one new banner as in a merger. It is noted such organizational change – whereby there is a change in identity – possibly presents the most potential for disruption (Corley and Gioia, 2004). A change in organizational identity brings with it an impact on the work-based identity of organizational members.

Resistance is largely considered from the perspective of the change agency, focusing on employee negative responses to change, the potential dangers of such resistance, and identifying strategies to avoid or overcome resistance. Such approaches suggest a linear process of resistance: change → resistance → resistance management strategies. Our understanding of resistance to change, and the way it is managed in organizational life can be further informed by consideration of the interactive nature of resistance. Resistance involves the complex interplay between individual and collective action and interpretation in the workplace (Prasad and Prasad, 2000). This calls for examination of the socially constructed phenomenon of resistance within an interactive framework, whereby resistance is observed as a *process* rather than as an event. We summarize the identity-based process model of resistance to change in Figure 1.



**Figure 1.** Identity-based process model of resistance to change

### *Resistance and Interaction*

Central to the resistance process was the impact of the way different organizational members impacted one another's work-based identity. For employees this was largely via change management, and for change leaders this was via the resistance attitudes towards the changes they were responsible for. These findings, whilst adding value by offering a diverse (identity framework) perspective, are aligned with previous seminal work in the field of resistance to change, which suggest resistance is more complex than merely 'employee problems with change'. Such examples include resistance to management changes, resistance as a result of fear, resistance to a lack of status and control, and resistance to loss (see Dent and Goldberg, 1999). Each of these positions to resistance can be located within, and can be further informed by, an identity perspective. The value added from applying an identity perspective to resistance is the knowledge that can be gleaned regarding how those affected are likely to respond (with self-enhancement strategies).

### *Mobility, Creativity and Competition*

Organizational change has an impact on employees' work-based identities, and where this poses a threat to their positive social identity, employees respond with the utilization of self-enhancement strategies ('identity resistance'). The widespread use of the phrase 'resistance to change' implies that employees resist 'change'. Our findings of identity resistance indicated that a significant component of resistance is resistance to the management of the change. Evidence was found of utilization of all three key self-enhancement strategies: individual mobility, social creativity and social competition.

The extent to which employee identities were threatened related to the degree to which they shared salient group memberships with the change leaders (along pre-merger firm and job role dimensions). In particular, threats to employee work-based identities stemmed largely from a *difference* in the way they were treated by management, compared to their pre-merger experience. Despite the official mergers being 'equal', those staff not from the daily change leaders' pre-merger firm reported a lack of information and power compared to those from the same firm. Employees reported feeling devalued (compared to their pre-merger experience) or unvalued (in comparison to members of other salient social groups within the firm). Employees perceived they were being devalued or unvalued not because of individual characteristics but rather because of their salient group memberships. As a result, they promoted their salient ingroup, negated the outgroup (often the change leadership), left the firm, or promoted and reinforced their ingroup norms and behavior, rather than adopt the new superordinate identity.

### *Self-Enhancement*

Resistance had an impact on the work-based identity of change leaders. The more involved change leaders were in decision-making regarding the changes, the more positive their attitude towards those changes. Where they identified both as a

change leader, and with the change leadership group, criticism of the change posed a threat not only to their group's status but also to their own individual work-based identity. Whilst no evidence was found of individual mobility (that is, no change leader left the firm), they did employ social creativity and social competition self-enhancement strategies in response to the posed threat. Change leaders underestimated the extent and type of resistance (in terms of personal versus principle-oriented resistance).

### *Genuine or Token Participation?*

Communication and participation in changes have been widely promoted tools for managing resistance to change (see, for instance, Kotter and Schlesinger, 1979 whose strategies for dealing with resistance continue to have a great influence over the way change is dealt with in organizations; see also Maher and Hall, 1998). Whilst change leaders reported receiving communication from employees about their attitudes towards the changes, and ideas and suggestions for how the change could be improved, employees did not perceive their ideas were given genuine consideration and rarely were they implemented. The change leadership may have found greater buy-in to change from employees by ensuring any encouragement to participate and ideas about the change were not token and followed-up accordingly by communicating ideas with other change leaders and implementing suggestions where appropriate.

The purpose of this study was to bring insight into resistance to organizational change – from the perspective of why employees may resist changes and how change leaders approach resistance – by examining resistance in the context of identity change. Implications of findings are discussed below.

### **Conclusion**

Positioning resistance to change within an identity framework provides a useful means by which to understand the motivations for resistance, and examine the reasons for, and impact of, change leader responses to resistance. This study was intended to provide an initial conceptualization of resistance as a response to a negative impact on employees' work-based identities, and to bring understanding to change leaders' responses to resistance given its potential threat to their own work-based identity. Many questions, however, remain.

### *Employee Feedback and Participation*

Why is there a frequent gap between the knowledge that communication and participation are important and useful components of leading change, and the genuine facilitation of, and follow through on, feedback and participation by wider organizational members? The answer perhaps lies in the impact of resistance on the work-based identity of change leaders. A starting point to ensure calls for feedback and participation are not token but genuine, may be to recognize this potential impact on change leaders and ensure the change objectives are placed at the forefront of decision making and change leadership: that the 'objective is boss'.

### *Resistance as Conflict*

Resistance can be located within an identity framework as a state where contributions are made from both change leaders and those affected who are linked together in *conflict* (Bauer, 1995, p. 113). As such, identity principles for conflict management may be applied to better understand how leaders can effectively approach resistance and successfully drive change. A merger involves the shift in identity towards a superordinate identity of organizational members. In the dual-identity conflict management approach, rather than increasing the salience of the superordinate identity at the expense of the subgroup identity, the goal should be to acknowledge and allow expression of both superordinate and subgroup identities (Hornsey and Hogg, 2000). This may be particularly useful for the context of mergers when considering the impact of change and resistance on work-based identities. Here, the salience of the subgroup identity ensures the basis of conflict is actually addressed, and the salience of the superordinate identity ensures that parties 'share a common motivation to do the creative, intellectual work that is needed for social differences to be reconstructed as sources of strength rather than bones of contention' (Haslam, 2001, p. 192). This approach suggests salient social groups could maintain or regain a positive identity, thereby decreasing the threat to individuals' work-based identity, which may lead to more constructive communication and interaction by all parties involved. Furthermore, it suggests a potential to turn the potentially hazardous situation of strong resistance and poor resistance management into a context whereby organizational members, regardless of their salient social groups, have their social differences acting as a source of strength around a common motivation.

### *Directions for Future Research*

Future research within an identity framework, which could further shed light on resistance to change and resistance management includes the examination of specific resistant behaviors (such as employee sabotage); situations where members of the organizational leadership are themselves resisters; changes where the team responsible for decision making and implementation of changes includes individuals external to the organization (such as consultants); and other contexts, particularly acquisitions.

When navigating organizational change and resistance, it may be that the differential factor in successful transformation begins with shifting our starting point away from looking at how change and change management affects what we *do*. Perhaps a more useful framework begins with looking at how the change and change management affects who we *are* – how we perceive ourselves, how we see others as perceiving us – as individuals, organizational members and, ultimately, our collective organization as a whole.

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